

Approved For Release 2002/07/12 : CIA-RDP79-00060A000200120026-8

800-608



MEMORANDUM FOR: Deputy Director (Support)  
Special Support Assistant/DD/S  
Assistant Deputy Director (Administration)/DD/I  
Director of Logistics  
Director of Communications

**SUBJECT : Control of Property Purchased or Requisitioned  
for Projects and Other Activities**

## 1. PURPOSE

- a. To provide control over project and other Agency activity (hereinafter called "activities") approvals so that no project or activity will use Agency resources (appropriated funds or property from inventories) in excess of the amount approved under the Agency approval system.
- b. To provide the Office of Logistics with initial allotments at the beginning of each fiscal year as a source for financing procurement needs based upon replenishment requirements and authorized increases in stock levels within major categories.

## 2. ASSUMPTIONS

- a. That the amount approved for each activity by the approving authority represents the total funds and property to be made available to the activity for the term of the approval;
- b. That under the Agency approval system the operating component is authorized to adjust the activity budget by making transfers between funds and property, provided the total of the revised budget does not exceed the total amount approved; and
- c. That budgetary revisions may be made only within the limitations of any specific provisions of the activity approval.

### 3. DISCUSSION

- a. There are at present no adequate control techniques in effect to preclude excessive withdrawals of stock by approved Agency activities. Instances have occurred involving excessive stock withdrawals with the result that the use of Agency resources by certain activities have exceeded the activity approvals. This deficiency has been the subject of considerable concern to operating and administrative officials.

JOB NO. \_\_\_\_\_ EIGHTH. \_\_\_\_\_ SEC. NO. 26 NO CHANGES  
IN CLASS / PERSONNEL FILE # 09 INT. JUST 22  
NEXT DET. DATE 2/11/79 [REDACTED] PERIOD. 02  
NO. PERS 8 OPERATOR NAME \_\_\_\_\_  
REV CLASS C REV COORD. \_\_\_\_\_ RTN: 31123

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- b. Allotments made to activities by the Budget Division, Office of the Comptroller, are controlled by the Budget Division to assure that no allotment exceeds the amount approved for the activity by the approving authority and that all allotments are within the total fiscal year funds available to the Agency by appropriation. Also, allottees are held responsible for obligating funds only within the allotments made to them.
- c. Presently established policies and procedures provide that operating components shall maintain specific controls over allotments of appropriated funds made to activities approved for operation within each fiscal year; and accounting records are maintained in the Finance Division, Office of the Comptroller, to reflect the actual obligations and expenditures of confidential funds relating to each approved activity and on an Agency-wide basis.
- d. At present, while activity approvals cover both the use of appropriated funds and Agency property inventories, and as stated in "b", above, adequate controls are prescribed for authorizing the obligation of the appropriated funds portion of such approvals, no adequate controls are prescribed over the requisitioning of property from Agency inventories by the activities. Also, no procedures have been established for the maintenance by the Finance Division, Office of the Comptroller, of financial accounting records to reflect the actual amount of requisitions and issues of property relating to each approved activity or on an Agency-wide basis; nor has there been provision made for cost reports to relate property issuances to requisitions by fiscal year. (This latter deficiency is being corrected by procedural changes to be effective 1 July 1955.) Procedures in effect in certain Agency components to control property requisitions within activity approvals were intended to provide necessary controls but as constituted will not adequately serve this purpose.
- e. The present method of providing allotments for property procurement to the Office of Logistics is considered too inflexible in that before such allotments are made, it has been necessary to secure the release of programmed funds from the operational components. It is considered necessary to provide the Office of Logistics with initial allotments of funds consistent with established stock levels and to provide for reimbursement to the stock procurement allotments based upon actual replacement requirements. To assist in determinations of such procurement allotment requirements, property authorization control records and accounts and status reports are considered necessary.

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4. RECOMMENDATIONS

It is recommended that the following changes in policy and procedure be made effective as of 1 July 1955:

- a. A policy be established and included in Agency regulations providing that the total cost that may be incurred for Agency activities shall not exceed the amount of the activity approval for the period and that the costs of an activity shall include funds expended and the cost of property regardless of whether the property is purchased or requisitioned from stocks on hand.
- b. Upon determination of stock levels initial allotments be made to the Office of Logistics consisting of the amounts deemed necessary to implement its requirements for increased stock levels, and further allotments be made to the Office of Logistics during the year to provide for necessary stock replenishments based upon replacement requirements.
- c. The Budget Division set forth on the "Advice of Allotment Authorization" (Form 32-5), in addition to the allotment of funds, the maximum amount which the activity is authorized to requisition from Agency property inventories.
- d. The allotment control procedures prescribed for maintenance by allottees of confidential funds be expanded to provide corresponding controls over property requisitioned by the individual activities from Agency property inventories.
- e. The overall accounting records of the Finance Division, Office of the Comptroller, be expanded to provide summary information, by activities and on an Agency-wide basis, as to the amount of property requisitioned and issued from Agency property inventories.
- f. The Allotment Status Reports prepared monthly by Machine Records Division be expanded to reflect the status of the property authorization, as well as the status of the allotment to made to each activity.

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- g. The detailed changes necessary to implement the foregoing recommendations be made as set forth in the attachments listed below:

Attachment A - Proposed revised form of "Advice of Allotment Authorization."

Attachment B - Proposed changes in "Allotment Control Procedure" to provide control over property authorizations.

Attachment C - Proposed "Property Authorization Accounting Control Procedure" for Finance Division, Office of the Comptroller.

Attachment D - Proposed "Allotment and Property Authorization Status Report."

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Deputy Comptroller

ATTACHMENTS -  
(A, B, C and D)

**CONCURRENCES:**

Deputy Director (Support)	Date
Special Support Assistant/DD/S	Date
Assistant Deputy Director (Admin.)/DD/I	Date
Director of Logistics	Date
Director of Communications	Date

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ATTACHMENT "A"

PROPOSED REVISED FORM OF ADVICE OF ALLOTMENT AUTHORIZATION

1. Revised Form

The present Advice of Allotment Authorization will be revised to include a separate section to show for the activity the amount of property authorization.

2. Responsibility

The Budget Division, Office of the Comptroller, will be responsible for the issuance of Advices of Allotments and Property Authorizations for each activity within the total amount approved for the activity by the approving authority. It will make adjustments between allotments and property authorizations as required by activity operations, subject, however, to the amount of the activity approval, any specific limitations set forth in such approval, and total availability of fiscal year funds.

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ATTACHMENT "B"

PROPOSED CHANGES IN ALLOTMENT CONTROL PROCEDURE TO PROVIDE  
CONTROL OVER PROPERTY AUTHORIZATIONS

1. Revised Forms

a. Expand present Allotment Control Record by adding three additional columns to provide for the maintenance of current control over the status of each property authorization. These additional columns will reflect the dollar amount of requisitions issued to Logistics, property issues and the unused balance of the property authorization. The amount of property authorizations and allotments to each activity will be recorded in a single column, with proper identification of each, and a subtotal will be accumulated to show the total resources approved for use by the activity. Exhibit "A" shows revised form.

b. Expand the present Summary Obligation Memorandum Report ("SOR") by adding one additional column to provide the dollar amount of "Total Cumulative Requisitions to Logistics to Date." The total obligations and requisitions to be reported on this form for each activity will be obtained from the appropriate columns of the Allotment and Property Authorization Control Record. Exhibit "B" shows revised form.

c. Each allottee should discontinue maintenance of any other records now in effect for providing control over property requisitions to Logistics by activities in accordance with the action of the approving authority.

2. Responsibilities

a. Allottee Budget and Fiscal Officer - Will maintain the Allotment and Property Authorization Control Record and prepare and submit the Summary Obligation and Property Requisition Report to the Finance Division at the end of each month for inclusion in the official accounting records of the Agency.

b. Allottee Logistics Officer - Will price all requisitions for property issued to Logistics and furnish priced copy of each requisition to the Budget and Fiscal Officer for his use.

ATTACHMENT "B"  
Exhibit "A" and "B"

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FOR FINANCE DIVISION, OFFICE OF THE COMPTROLLER

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ATTACHMENT "D"

PROPOSED ALLOTMENT AND PROPERTY AUTHORIZATION STATUS REPORT

1. Format

a. The present Allotment Status Report prepared by the Machine Records Division, Office of the Comptroller, will be expanded to provide an additional line under each allotment symbol for which a property authorization is made to reflect the current status of such property authorization. Also, a total line will be provided for each allotment symbol to reflect the total activity for both the allotment and the property authorization. The format of the revised form is illustrated on the attached tabulating machine sample report.

b. Each month, each allottee will be provided with a tabulating machine listing of the detailed property issue transactions in support of the summary amounts for property issues shown on the Allotment and Property Authorization Status Report.

ATTACHMENT "D" - 1

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